

#6

**IN THE UNITED STATES
PATENT AND TRADEMARK OFFICE**

PATENT APPLICATION

Vasyl' V. Kozoriz

CASE 1

Serial No. 09/654,964 Group Art Unit 2834

Filed September 5, 2000

Supervisory Petition Attorney Beverly M. Flanagan
Attention Petition Attorney R. C. Tang

TITLE Super Conductive Bearing

**ASSISTANT COMMISSIONER OF PATENTS
PETITION ATTORNEY R. C. TANG
CRYSTAL PLAZA FOUR, SUITE CP4-3C23
2201 SOUTH CLARK PLACE
ARLINGTON, VA 22202**

I hereby certify that this correspondence is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated below and is addressed Assistant Commissioner of Patents, Petition Attorney R. C. Tang, Crystal Plaza Four, Suite CP4-3C23, 2201 South Clark Place, Arlington, VA 22202.

Dwight A. Marshall July 18, 2002
Dwight A. Marshall Date of Deposit
Express Mailing Label No.EK295260732US

RECEIVED

JUL 19 2002

OFFICE OF PETITIONS

SIR:

MEMORANDUM

Applicants' attorney wishes to thank Petition Attorney R. C. Tang for helpful comments provided during recent telephone calls in regards to the above set forth case. In response to Petition Attorney Tang's request for additional information, Walter Reiner, owner of Global Trading & Technology, Inc. (Global), has executed an affidavit setting forth that the duly executed complete and total contact entitled **INTELLECTUAL PROPERTY RIGHTS AND INVENTION DEVELOPMENT CONTRACT**, consists of a first page entitled "INTELLECTUAL PROPERTY RIGHTS AND INVENTION DEVELOPMENT CONTRACT", pages 2 through 4 entitled "Vasyl' Kozoriz Global Trading & Technology, Inc. Contract, an unnumbered signature page entitled "VASYL' KOZORIZ (VASSILI KOZOREZ), GLOBAL TRADING & TECHNOLOGY, INC., CONTRACT FOR INTELLECTUAL PROPERTY RIGHTS AND INVENTION DEVELOPMENT" properly executed before an U.S. Vice Consul acting as a Notary in the U. S. Embassy in Kiev, Ukraine, an unnumbered page entitled "Certificate of Acknowledgment of Execution of an Instrument" acknowledging the execution of the aforementioned contract before the Notary in the Embassy, and a document entitled "SPECIAL POWER OF ATTORNEY BY OWNER AND SELLER OF INTELLECTUAL PROPERTY" that was properly executed by the inventor giving affiant a special power of attorney to consummate patenting of intellectual property. Applicant's attorney respectfully submits that the aforementioned duly executed contract gives Global Trading & Technology, Inc. the right to request the U.S. Patent Office to proceed with the examination of the patent application entitled **SUPER CONDUCTIVE BEARING** in which

entitled "VASYL' KOZORIZ (VASSILI KOZOREZ), GLOBAL TRADING & TECHNOLOGY, INC., CONTRACT FOR INTELLECTUAL PROPERTY RIGHTS AND INVENTION DEVELOPMENT" properly executed before an U.S. Vice Consul acting as a Notary in the Embassy, an unnumbered page entitled "Certificate of Acknowledgment of Execution of an Instrument" acknowledging the execution of the aforementioned contract before a Notary Public in the Embassy, and a document entitled "SPECIAL POWER OF ATTORNEY BY OWNER AND SELLER OF INTELLECTUAL PROPERTY" that was properly executed by the inventor giving affiant a special power of attorney to consummate patenting of intellectual property.

Affiant further says that the aforementioned duly executed contract gives Global Trading & Technology, Inc. the right to request the U.S. Patent Office to proceed with the examination of the patent application entitled **SUPER CONDUCTIVE BEARING** in which Global Trading & Technology, Inc. has assigned rights.

Affiant further says that the aforementioned properly executed SPECIAL POWER OF ATTORNEY enables him on behalf of the inventor to request the U.S. Patent Office to proceed with the examination of the Super Conductive Bearing patent application.

Affiant further says that the failure to proceed with the examination of the Super Conductive Bearing patent application will result in irreparable damage to both Global Trading & Technology, Inc. and the inventor.

Walter G. Reiner

Walter Reiner

JULY 18 2002

Date

Sworn to me and subscribed in my presence this

18th day of July, 2002

Dwight A. Marshall
Dwight A. Marshall, Attorney-at-Law
NOTARY PUBLIC—STATE OF OHIO
My commission has no expiration date.
Section 147.03 R. C.

AFFIDAVIT

State of Ohio, Franklin County, ss.

Walter Reiner, being first duly sworn, says that he resides at 9409 Walnut Hull Dr., Genoa Township, Westerville, Ohio, 43082, and that he is the owner of the company Global Trading & Technology, Inc., 5030 Westerville Road, in the city of Columbus, Ohio, 43231.

Affiant further says that his company, Global Trading & Technology, Inc., has a duly executed contract, a copy of which is recorded in the United States Patent Office, with the inventor of the invention, **SUPER CONDUCTIVE BEARING**, and who is herein identified as Vasyl' V. Kozoriz, reported as residing at 5 Poljarna Street, Apartment 99, in the city of Kyvi (Kiev) 201, in the country of Ukraine, wherein the invention and all the proprietary rights thereto have been duly assigned in the entirety to his company, Global Trading & Technology, Inc.

Affiant further says that the aforementioned duly executed contract, entitled **INTELLECTUAL PROPERTY RIGHTS AND INVENTION DEVELOPMENT CONTRACT**, consists of 4 (four) pages with the first page entitled "INTELLECTUAL PROPERTY RIGHTS AND INVENTION DEVELOPMENT CONTRACT" and pages 2 through 4 entitled "Vasyl' Kozoriz Global Trading & Technology, Inc. Contract."

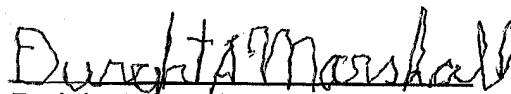
Affiant further says that the aforementioned duly executed contract, entitled **INTELLECTUAL PROPERTY RIGHTS AND INVENTION DEVELOPMENT CONTRACT**, also consists of an unnumbered signature page entitled "VASYL' KOZORIZ (VASSILI KOZOREZ), GLOBAL TRADING & TECHNOLOGY, INC., CONTRACT FOR INTELLECTUAL PROPERTY RIGHTS AND INVENTION DEVELOPMENT" that was properly executed before a Vice Consul acting as a Notary in the Embassy of the United States of America in the city of Kiev in the country of Ukraine.

Affiant further says that the aforementioned duly executed contract, entitled **INTELLECTUAL PROPERTY RIGHTS AND INVENTION DEVELOPMENT CONTRACT**, also consists of an unnumbered page entitled "Certificate of Acknowledgment of Execution of an Instrument" acknowledging the execution of the aforementioned contract before a Notary Public in the Embassy of the United States of America in the city of Kiev in the country of Ukraine.

Affiant further says that the aforementioned duly executed contract, entitled **INTELLECTUAL PROPERTY RIGHTS AND INVENTION DEVELOPMENT CONTRACT**, also includes a document entitled "SPECIAL POWER OF ATTORNEY BY OWNER AND SELLER OF INTELLECTUAL PROPERTY" that was properly executed by the inventor before the embassy Vice Consul Notary and two witnesses at the U. S. Embassy in Kiev giving affiant a special power of attorney to consummate patenting of intellectual property.

Affiant further says that the aforementioned duly executed complete and total contract consists of the first page entitled "INTELLECTUAL PROPERTY RIGHTS AND INVENTION DEVELOPMENT CONTRACT", pages 2 through 4 entitled "Vasyl' Kozoriz Global Trading & Technology, Inc. Contract, an unnumbered signature page

Global Trading & Technology, Inc. has assigned rights. It is further stated that the aforementioned properly executed SPECIAL POWER OF ATTORNEY enables the affiant on behalf of the inventor to request the U.S. Patent Office to proceed with the examination of the Super Conductive Bearing patent application. It is to be noted that failure to proceed with the examination of the Super Conductive Bearing patent application will result in irreparable damage to both Global Trading & Technology, Inc. and the inventor.



Dwight A. Marshall
Intellectual Property Attorney
Reg. No. 25896

JUL 18 2002

Date

Attachments:

Affidavit

Copy of complete contract

INTELLECTUAL PROPERTY RIGHTS
AND INVENTION DEVELOPMENT CONTRACT

Whereas Vasyli' Kozoriz (Vassili Kozorez) (hereinafter referred as V.K.) Seller wishes to sell the patentable rights to his inventions and the supporting knowledge and technology, and Global Trading & Technology, Inc. (hereinafter referred as G.T.T.) wishes to purchase the patent rights when they are granted by the U.S. Patent Office, and the supporting know-how and technology, the Parties enter an Agreement as follows:

1. In consideration of \$1.00 and other valuable consideration including the payment of patenting costs as further outlined below, G.T.T. hereby purchases the rights to the future patents, at such time they are approved and the supporting know-how and technology and knowledge as summarized in U.S. Provisional Patent Applications "Manufacture for Acceleration or Braking or both and Method of Use" 60/002, 198, filed August 11, 1995 and "Inelastic Magnetic Bearing" 60/002, 601, filed August 18, 1995.
2. V.K. shall execute (sign) an assignment of Patent Form which shall be recorder in the U.S. Patent Office at such time the patent(s) are issued.
3. V.K. hereby agrees that he is selling to G.T.T. the Worldwide Rights to said future patent and any inventions created based on the information know-how and technology that relates to these patents.
4. V.K. hereby agrees to execute (sign) whatever documents that are required to be submitted to the U.S. Patent Office.
5. V.K. shall not independently utilize the invention(s).
6. V.K. hereby agrees not to disclose publicly or privately to any other person the information contained in the Provisional and Permanent Patent Applications, and relating know-how and technology.
7. V.K. agrees that he will make himself available to work exclusively up to 8 months per year, if necessary, for supplying new information for patenting, revising information for patenting and for laboratory and related work for the development of a prototype "SUPER" Superconducting Magnetic Bearing, until such time the prototype bearing is perfected to a ready for commercial sale standard, which means basically standards for reliability, durability and efficiency equal to or better than competing magnetic bearing for comparable features. This will apply to the other inventions.
8. V.K. understand that the commitment of G.T.T. and its funding for the development project are conditioned on the patent searches of prior art in this field not indicating a negative position for patenting, meaning that there no prior patents of similar devices which would indicate that the Patent Office would not allow a patent.
9. V.K. shall be responsible for insuring to the satisfaction of G.T.T. that he has taken care of any "Shop Rights" or other claims arising from his use of people and laboratory equipment in Kyiv, Ukraine or elsewhere in Ukraine. He agrees

FROM : Kozoriz Oleksandr & Co.

PHONE NO. : +432 6690

Aug. 08 1996 12:02AM P02

Vasyl Kozoriz Global Trading & Technology, Inc. Contract

WBR
V.K. that these claims if any, shall be deducted from the share of profits payable to V.K. and shall not create any claim against the potential profit of G.T.T., share
V.K. shall defend G.T.T. against any such claims at his expense, and in the event he does not, G.T.T. can deduct any cost of defense from the share of V.K. profits.

WBR
V.K. 10. V.K. hereby certifies that he has not disclosed to any person sufficient information with regard to the subject inventions and patents which would violate the disclosure rules of U.S. Patent Law, basically that a person knowledgeable in the field could not recreate the invention(s) based on information learned from V.K..

WBR
V.K. 11. V.K. hereby swears and certifies that he has the right under the laws of Ukraine and the U.S.A. to sell the patentable information, and related know-how, knowledge and technology for the invention to G.T.T..

12. V.K. shall not do anything to jeopardize the patent information, related know-how, knowledge and technology from being transferred to G.T.T. and used for the development of the invention(s) into workable prototype(s).

13. Whereas G.T.T. considers V.K. a key to the success of this venture, V.K. hereby agrees to have a physical examination or competition by a doctor or doctors or academicians in the U.S.A. at the cost of G.T.T., if requested by G.T.T..

14. Whereas G.T.T. considers V.K. a critical part of this venture, and V.K. understands the investment in time and money in this venture by G.T.T., he agrees to cooperate so that G.T.T. can carry key man life insurance on him.

15. V.K. and G.T.T. plan to work closely together and exchange ideas with regard to other potential markets and invention ideas supplied by G.T.T. and V.K.. Therefore, in consideration of \$1.00 and other valuable consideration including G.T.T.'s patent research and market research to date, V.K. hereby gives G.T.T. the exclusive right and option to purchase and develop any other new inventions created by V.K. on similar terms and conditions (the details of which must be agreed on by both Parties). G.T.T. shall have 6 months from the date V.K. notifies them in writing to study the invention and then respond in writing whether or not G.T.T. wishes to purchase the rights to the invention.

16. In the event that G.T.T. presents new ideas, as it reads the market, for the creation of new devices and patents, V.K. shall work with G.T.T. to develop new ideas from G.T.T. on a salary basis, which must be agreeable to both Parties.

WBR
V.K. 17. V.K. realizes that he can read and fully understand this Contract.
18. V.K. and/or G.T.T. can the right to participate in scientific congresses without disclosing of patentable data.

-3-

Vasyf Kozoriz Global Trading & Technology, Inc. Contract

GLOBAL TRADING & TECHNOLOGY, INC. hereby agrees as follows:

1. That it will spend money for the permanent patent(s), provided that searches for prior art indicate a good patent position, and V.K. supplies all needed information and has clear rights to the patent information.
2. G.T.T. will spend money for patenting and development of prototype(s) so long as it funds no disclosure publicly or privately to any other person than itself or the Patent Office of the patent information, know-how, and related knowledge and related technology for ~~the~~^{2.3} inventions.
3. In the event that conflicting claims of ownership and/or financial claims against the patent or potential patent rights arise, that cannot be easily dealt with in the opinion of G.T.T., then G.T.T. reserves the right to stop funding for patenting and/or ~~the~~^{2.3} development of a prototype.
4. If at any time G.T.T. finds that development has reached a problem(s) that is not economically and technologically feasible to solve, it reserves the right to stop funding development of prototype(s) and related work.
5. Due to a very late submission G.T.T. has not had time to complete its analysis. However, based on preliminary investigative information, including power line construction costs and cryogenic container costs, the "Automobile Motion System" may ~~be~~^{be} a cost effective means of transportation and may not warrant the cost of building a full scale model and a test highway system, and the "Airplane Take-Off and Landing System" would also be very expensive to develop a life size prototype for, and both have many technical problems and ~~low probability~~^{problems} of market acceptance during the life of the patent. Therefore, G.T.T. reserves the right to not fund the development of life size prototypes for these two invention ideas. It will however, consider the development of other more short term practical applications based on these acceleration and braking concepts using the conversion of kinetic energy into magnetic energy and vice-versa and related applications and concepts, if it upon further investigation sees a potential market for devices based on these concepts.
6. Preliminary G.T.T. research indicates that there are many obstacles to overcome in order to develop the "Inelastic Magnetic Bearing" using the principal of Magnetic Potential Well, discovered by V.K., and reserves the right to cancel funding if it reaches problems in development which indicate that the bearing will not function properly enough to meet expected commercial bearing tolerances, and/or will not be cost effective enough to compete against other bearings. Grounds for cancellation of funding are including, but not limited to the following problems, which the inventor may or may not have theoretical solutions for or be able to develop real solutions for in a cost effective manner after development begins: quenches, wire reliability and brittleness, excessive magnetic field, critical current density limits, bubble buildups, hot spots in the coil(s), stability problems, vibrations and wobble that may set in at high

-4-

Vasyf Kozoriz- Global Trading & Technology, Inc. Contract

revolutions per minute, charging the coils, short circuiting the coils, alignment of materials, current differences in coils, potential problems with too many switches and coils, and parts and the asymmetrical display of some parts.

7. G.T.T. reserves the right to develop the prototype(s) in whichever country it sees as more efficient and cost effective to work in. It may consider for example, development in Ukraine or in the U.S.A. or both. For development requiring the inventor to be in the (U.S.) United States, G.T.T. agrees to supply the inventor with a room, bed, food and travel expense to and from and inside the U.S., *for business only.*

8. G.T.T. shall work with the inventor to find suitable reasonable material, lab space and assistance for the inventor to develop the bearing prototype, and others, if thought feasible by G.T.T.. The cost of new laboratory and development work shall be deducted from profits prior to paying distribution of profits to G.T.T. and V.K..

9. G.T.T. agrees to pay V.K. 35% of all profits and shall keep 65% of all profits for G.T.T.. Profits are calculated after deducting all development and start-up costs such as rent, utilities, labor, materials, consulting, legal, accounting, administration, management and marketing costs for this specific project.

10. G.T.T. shall allow V.K. to inspect the books of account and record for this specific G.T.T. project in the case that he feels that his share of profits is not what it should be. If the books are incomplete after V.K.'s written request to look at them, then G.T.T. shall instruct the bookkeeper or accountant to summarize the books for inspection.

11. In the event of any dispute with regard to 10. above or any other feature of this Contract, the Parties hereby agree to submit to binding arbitration in order to settle the dispute, without law suits and lawyers.

12. This document shall be construed as if written by both Parties.

13. It is agreed to by both Parties that this Contract shall be governed by the laws of the State of Ohio (U.S.A.) and Ukraine.

14. It is agreed to by both Parties that each Party can be defend International Commercial Arbitration ^{by} the U.S.A. and/or Ukraine.

15. It is further understood by both Parties, that this is a long range project and there may be difficulty in creating a product involving many new technologies that will be sold at a profit in order to pay the Parties back for their respective time, effort and money invested, and both Parties are relying on each other to put forth a good effort to develop a product(s) (invention(s)). It is understood that a patent may take 3 years to be approved and that G.T.T. will only provide funding above the initial patent needs when it feels safe to move ahead on the project. V.K., the inventor, will therefore have to be ready at some time in the future to give this his maximum effort and agrees to do so when notified by G.T.T..

VASYL' KOZORIZ (VASSILI KOZOREZ), GLOBAL TRADING &
TECHNOLOGY INC., CONTRACT FOR INTELLECTUAL PROPERTY
RIGHTS AND INVENTION DEVELOPMENT

GLOBAL TRADING & TECHNOLOGY INC.

August 4, 1996

By Walter G. Reiner ITS PRESIDENT
Walter G. Reiner
Buyer

IN WITNESS WHEREOF, I have here unto set my hand on this 5th day of
August, 1996.

Signed and acknowledged
in the presence of:

Witness 1 at U.S. Embassy

V Kozoriz
Vasyl' Kozoriz (Vassili Kozorez)
Owner and Seller of Intellectual
Property

Witness 2 at U.S. Embassy

STATE of _____

COUNTY of _____

COUNTRY of Ukraine

BE IT REMEMBERED that on this 5th day of August, 1996, before me, the
subscriber, a Notary Public in and for said county and state, personally appeared
the above named _____, who acknowledged signing
thereof to be his free act and deed, for the uses and purposes therein set forth.

IN TESTIMONY WHEREOF, I have here subscribed my name and affixed
the official seal of my office on the day and year last above written.

Notary Public at U.S. Embassy, Kyiv

Certificate of Acknowledgment of Execution of an Instrument

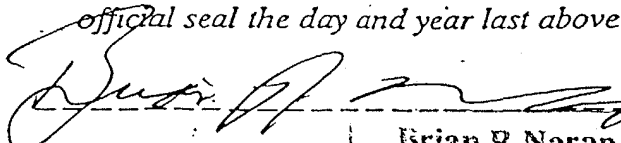
Ukraine
(Country)
Kievskia oblast
(County and/or other political division)
City of Kiev
(County and/or other political division)
Embassy of the United States of America
(Name of foreign service office)

SS:

I, Brian R. Naranjo, Vice Consul
of the United States of America at Kiev, Ukraine
duly commissioned and qualified, do hereby certify that on this 5th
day of August, 1996, before me personally appeared
(DATE)
Vasyl' Kozoriz (aka Vassili Kozorez)
to me personally known, and known to me to be the individual—described in, whose
name he subscribed to, and who executed the annexed instrument, and being
informed by me of the contents of said instrument he duly acknowledged to me
that he executed the same freely and voluntarily for the uses and purposes therein
mentioned.

[SEAL]

In witness whereof I have hereunto set my hand and
official seal the day and year last above written.


Vice Consul of the United States of America
Brian R. Naranjo
Vice Consul of the
United States of America

SPECIAL POWER OF ATTORNEY
BY OWNER AND SELLER OF INTELLECTUAL PROPERTY

KNOW ALL MEN BY THESE PRESENTS, that I, Vasyl' Kozoriz (Vassili Kozorez), have made, constituted, and appointed and by these presents do make, constitute, and appoint Walter G. Reiner of Global Trading & Technology, Inc., true and lawful attorney for Vasyl' Kozoriz (Vassili Kozorez) and in his name, place instead for his use and benefit to manage the affairs of his Intellectual Property and act in his behalf as assignee to arrange for the provisional and/or eventual patenting of "Inelastic Magnetic Bearing", and/or "Manufacture for Acceleration or Braking or both and Method of Use", and, in futherance thereof, to execute, acknowledge and deliver any and all documents necessary and/or appropriate to consummate the patenting of the above described Intellectual Property, including, but no: limited to, affidavits, patent forms, and to send, and receive all correspondence for said Intellectual Property in my name or his name, as my said attorney may direct.

Giving and granting unto said attorney full power and authority to do and perform every act and thing whatsoever requisite and necessary to be done with regard to said patents and Intellectual Property as fully to all intents and purposes as the undersigned might or could do if personally present, hereby ratifying and confirming all things that said attorney shell lawfully do or cause to be done by virtue of these presents.

This Power of Attorney shall not be affected by disability of the undersigned.

IN WITNESS WHEREOF, I have here unto set my hand on this 5th day of August, 1996.

Signed and acknowledged in the presence of:

[Signature]
Witness 1 at U.S. Embassy

[Signature]
Vasyl' Kozoriz (Vassili Kozorez)
Owner and Seller
of Intellectual Property

[Signature]
Witness 2 at U.S. Embassy

STATE of _____
COUNTY of _____
COUNTRY of Ukraine

BE IT REMEMBERED that on this 5th day of August, 1996, before me, the subscriber, a Notary Public in and for said county and state, personally appeared the above named _____, who acknowledged signing thereof to be his free act and deed, for the uses and purposes therein set forth.

IN TESTIMONY WHEREOF, I have here subscribed my name and affixed the official seal of my office on the day and year last above written.

Notary Public at U.S. Embassy, Kyiv